

2013 COMMUNITY REPORT CARD



BUNNINGS



A HISTORY OF REAL ACTIONS...

Supporting local communities and taking real action is integral to how we do business. Highlights post 2000 include:

- 2001 Started detailed public triple-bottom-line reporting.
- 2002 Commenced work with Greenpeace on eliminating illegally logged rainforest timber.
- 2003 Adopted current timber procurement policy.
- 2003 Introduced voluntary 10 cent plastic bag levy, raising over \$180,000 for Keep Australia Beautiful.
- 2004 Began voluntary reporting of greenhouse gas footprint.
- 2004 Community group contributions exceeded \$2m (direct & indirect).
- 2005 Established recycling systems for cardboard and plastic at all major sites.
- 2005 Reduced water consumption through waterwise reviews.
- 2006 Introduced Forest Stewardship Council (FSC) certified paper product into our procurement policy.
- 2006 Introduced formal factory accreditation for offshore factory working conditions.
- 2007 Committed to achieve carbon neutrality by 2015.
- 2007 Commenced a 2 year \$6m project to retrofit rainwater harvesting systems.
- 2007 Commenced Murdoch Uni research partnership for energy efficiency & renewable opportunities.
- 2007 Achieved FSC certification & labelling on an exclusive timber furniture range.
- 2008 Removed single use plastic shopping bags from all stores.
- 2008 Introduced hybrid vehicles into our fleet.
- 2008 Purchased 5% of grid energy in Australia from renewable sources.
- 2008 Began major investment program in energy efficient lighting including e-tronic and night switches.
- 2008 Offset 16,000 tonnes of annual emissions through Landcare CarbonSMART revegetation projects.
- 2008 Achieved over 80% reduction in water usage by reverting to hand watering in Australian nurseries.
- 2009 Community group contributions exceeded \$15.5m (direct & indirect).
- 2009 In Australia, confirmed that 99% of timber products purchased are sourced from low risk plantation or other verified legal or sustainable forest operations.
- 2009 Increased amount of energy efficient lighting and introduced LED technology.
- 2009 Commenced trials in renewable micro generation: solar photovoltaic panels & wind turbines.
- 2010 Achieved over 60% recycling rates across all Australian stores.
- 2010 Trialled solatube lighting and heat reflective roof treatments to further reduce electricity usage.
- 2011 Launched an online Sustainability Savings Planner for customers.
- 2011 Exchanged over 70,000 showerheads in partnership with water authorities across Australia.
- 2012 Lifted our waste diversion rate to 64% across all Australian stores.
- 2012 Reduced water usage by a further 31% (compared to 2008) while growing network by over 22%.
- 2012 Community group contributions exceeded \$27m (direct & indirect).

OUR BUSINESS



Bunnings is the leading retailer of home improvement and outdoor living products in Australia and New Zealand and a major supplier to project builders, commercial trades people and the housing industry.

Operating from a network of large warehouse stores, smaller format stores, trade centres and frame and truss sites, Bunnings caters for consumer and commercial customers.

Sales revenue during the year was \$7.7 billion. As at 30 June 2013 there were 210 warehouses, 67 smaller format stores, 37 trade centres and four frame and truss centres operating across Australia and New Zealand. At 30 June 2013 we employed 33,000 team members.

Please tell us what you think...

If you have a question or suggestion please contact us via our website www.bunnings.com.au.

Bunnings Group Limited
16-18 Cato Street, Hawthorn East,
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Welcome

"We pursue sustainability within our operations by striving to make them socially responsible and environmentally aware and economically viable. We engage with the communities in which we operate and live by actively contributing to causes and organisations that benefit these communities. We're building the best... our team makes it happen."

Our community report card talks to achievements we have made in the areas of community involvement and sustainability in the financial year ended June 2013.

We are committed to being actively and meaningfully involved in the communities in which we operate. This has been central to our thinking for many years and we are proud of the work that so many of our team undertake each day to make this commitment a reality.

Throughout the 2012/13 financial year our team participated in and supported over 49,000 activities, helping to raise and contribute more than \$30 million dollars to local community groups across Australia and New Zealand. Activities undertaken included fundraising sausage sizzles, team member hands on D.I.Y. projects, local fundraising initiatives, community workshops and product contributions.

We continue to raise awareness of sustainable living options in the wider community, helping customers take practical actions at low cost or no cost to save energy, use less water or take environmentally friendly actions. In-store workshops, online videos and in-store brochures are a great source of free sustainability D.I.Y. advice.

These actions link with our own work to reduce our impact on the environment by using less energy and water and lowering levels of waste to landfill.

Across 2012/13 we improved transparency in our supply chain via deeper involvement in the Supplier Ethical Data Exchange (SEDEX) program. In this report card you can also see a summary of the industry-leading actions we have taken over the past decade to eliminate illegally logged timber from our supply chain.

We make no claim to be perfect but are sincere in our efforts to do the right thing.

For more information regarding our sustainability initiatives and community involvement activities or to offer feedback please visit our website www.bunnings.com.au.

**John Gillam, Managing Director
and Peter Davis (PJ), Chief Operating Officer**



Case Study Timber Policy

Our commitment to timber procurement began in 2001 when we introduced a zero tolerance approach to illegally logged timber in our supply chain.

That led to the development of our current timber policy, which has been in place since 2003. From that point onwards we have actively engaged with suppliers, industry groups and government to promote responsible timber sourcing. In 2004 we became the first retail partner of the WWF Global Forest Trade Network (GFTN), an organisation established to end illegal logging and unacceptable timber practices.

In 2009 we were the lead signatory to a joint industry, community and conservation group statement (led by Greenpeace) which called for an Australian Federal Government ban on the importation of illegally logged timber. In 2011 we were also part of the Common Platform supporting the Illegal Logging Prohibition Bill, which was presented to the Australian Federal Government.

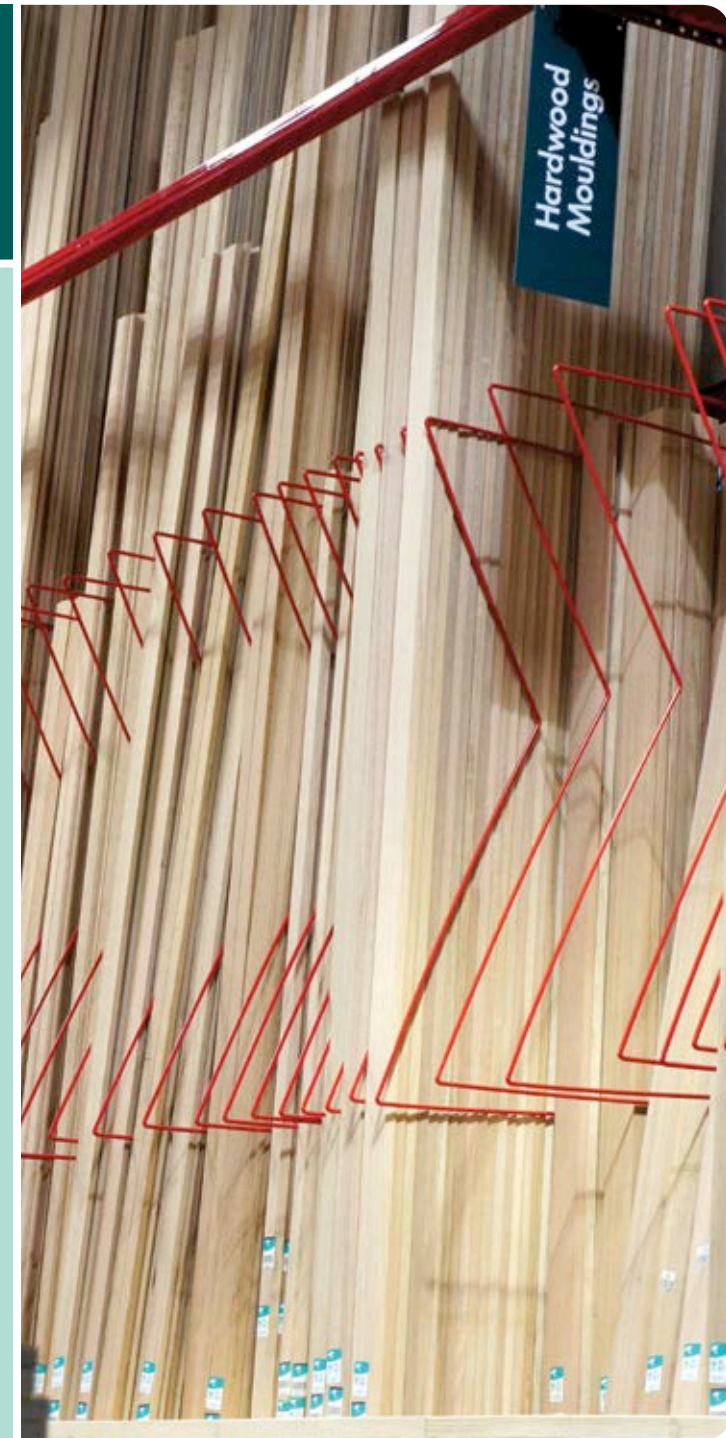
We also played a significant role in a joint timber industry, retailer and non-government organisation steering group led by Planet Ark, which developed Australia's first national wood products forum and workshop in May 2012.

In New Zealand, we have been an active member of the NZ Imported Tropical Timber Group (ITTG) since 2001 and we continue to work collaboratively with government and environmental organisations to promote responsibly sourced timber.

Most recently, in November 2012 we welcomed the passing of Australia's Illegal Logging Prohibition Bill and we are now playing an active role in work aimed at supporting the implementation and education of this legislation for industry and consumers.

We can now state with confidence that more than 99% of business wide timber products are confirmed as from low risk plantation, verified legal, or certified responsibly sourced forests. Over 85% of our total timber products are FSC or PEFC certified.

We continue to seek advice from Greenpeace and WWF on our procurement and we remain grateful for their ongoing support. We are proud that our long term efforts have provided customers and team members with the knowledge that our timber is responsibly sourced.



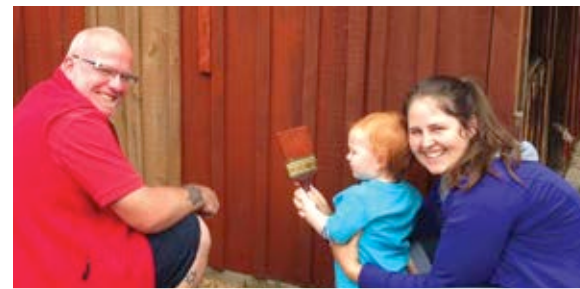
Sustainability

We pursue sustainability within our operations by striving to make them socially responsible and environmentally aware and economically viable.

FY13 Priorities	Action Taken	FY14 Priorities
<p>Continue to explore energy reduction measures to reduce our long-term carbon footprint</p>	<ul style="list-style-type: none"> Continued to assess and explore commercially viable options for LED technology, including conducting LED trials Installed energy efficient T5 lighting in both new and refurbished stores Developed a new reporting system to help stores monitor and manage their energy use to reduce environmental impact 	<p>Continue to explore energy reduction measures to reduce our long-term carbon footprint</p>
<p>Continue to find ways to help customers live sustainably at a low cost or no cost with more sustainable product development</p>	<ul style="list-style-type: none"> Continued to provide free sustainability D.I.Y. advice for customers through in-store workshops and online videos and brochures Provided over 20,160 water saving showerheads for households through free exchange programs with Water Corporation (WA) and City West Water (VIC) Expanded 'Battery Back', a free household battery recycling program with Sustainability Victoria, into 10 metro Melbourne warehouses Offered 'Smarter Choice' free sustainability information for customers in all VIC and NSW warehouses 	<p>Provide more information and education and drive more product development to help customers live sustainably at low or no cost</p>
<p>Increase work with suppliers to reduce supply chain resource waste and achieve greater packaging and transport efficiencies</p>	<ul style="list-style-type: none"> Achieved a waste diversion rate of 67% from landfill (our target remains at 85%) Recycled 16,566 tonnes of cardboard & paper, 2,726 tonnes of plastics & 21,585 tonnes of other recyclables including timber Introduced pallet recycling into all major capital cities Completed packaging improvement reviews with our top 60 suppliers, identifying new opportunities to reduce packaging and/or achieve freight efficiencies. Examples of best practice from this review work will be communicated across the next year to further drive results in this area 	<p>Continue to increase our work with suppliers to reduce supply chain resource waste and achieve greater packaging and transport efficiencies</p>
<p>Continue to work closely with suppliers to maintain ethical supply chains</p>	<ul style="list-style-type: none"> Strengthened our sourcing practices with more suppliers becoming members of our Supplier Ethical Data Exchange (SEDEX) program, aimed at improving transparency in our supply chains Continued to work collaboratively with industry, government and ENGOs on timber procurement 	<p>Continue to work closely with suppliers to maintain ethical supply chains</p>



Community Involvement



Bunnings is committed to meaningful and active participation in the communities in which we operate.

We are proud to continue supporting and assisting a very large and diverse range of local, regional and national groups across Australia and New Zealand.

Our teams **supported over 49,000 local activities** throughout the year. This support was in the form of fundraising sausage sizzles, hands on D.I.Y. projects, local fundraising activities, community workshops and product contributions. Through these activities we were able to **help raise and contribute more than \$30 million** for local, regional and national community groups across Australia and New Zealand.



On a national level we supported several national campaigns through locally driven store activities. These included:

Australia

- Local emergency services groups
- The Salvation Army
- RSL
- Legacy
- White Ribbon Foundation
- Rotary
- MS Australia

New Zealand

- The Salvation Army
- Child Cancer Foundation
- RSPCA
- KidsCan

